

EXECUTIVE SUMMARY

Introduction

The Washington State Office of Financial Management (OFM) has a central role in budget planning, policy development, fiscal administration, and information dissemination for the executive branch of Washington State government. There are many users, or customers, of the products and services that OFM provides in this role.

In keeping with the Governor's Executive Order 97-03, OFM has developed and implemented plans to improve the quality, efficiency and effectiveness of the services it provides. An integral part of these plans is a survey of current OFM customers that will establish a baseline of customer satisfaction with and opinion of OFM products and services. Gilmore Research Group was commissioned through a competitive bid process to design and implement the baseline survey and ancillary information gathering upon which this report is based.

Method Summary

Both qualitative and quantitative research methods were used. Two focus group discussions with state agency employees were conducted prior to designing the telephone survey instrument to ensure that all topics relevant to OFM's customers would be included in the telephone survey. One of these groups was made up of mid-level managers and the other included line staff of agencies using OFM services.

Based on the findings of those groups, the telephone survey was designed, tested and administered to a total of 407 OFM customers (107 managers and 300 others) from agencies and local governments across the state. The questionnaire was designed to allow customers to evaluate OFM only in the product and service areas that they use.

As a final step, two additional focus groups were held, one with Executive Cabinet agency directors and one with legislative staff. OFM provided Gilmore with lists of customers with whom the various areas of OFM have had contact within the past year.

The data collection process was conducted between June 30 and August 20, 1998. This summary contains the key findings from the focus group discussions and the telephone interviews.

Key Findings

Overall Observations

Most of the ratings of OFM products and services, all on 7-point rating scales, fell in the middle to higher portion of the scale. The top two scores of 6 and 7 were used throughout the analysis to represent “high” ratings, while the three lowest scores of 1, 2 and 3 were combined and called “low” ratings. High ratings were generally given by 35% to 60% of customers, while low ratings, were given, with some exceptions, by fewer than 10%. Most of the balance of the scores were at 4 or 5--mid-point to moderately positive--the ratings which represent the greatest opportunity for improvement. With effort OFM can raise some of these 4 and 5 ratings to the 6-7 range. Assuming that OFM will continue to have high ratings from those currently in the 6-7 range, the overall positive customer response to OFM will increase.

Response to the focus group and telephone survey efforts was very positive. Customers were open to OFM seeking customer feedback. The response rate was high and the refusal rate was unusually low. People mentioned that they were pleased to see OFM making the effort to ask about their products and services.

These overall observations are supported by the findings from two other surveys completed earlier in 1998—the OFM Employee Survey and the Support Agency Joint Survey (the “Four-Agency Survey”). The Employee Survey findings indicate that OFM employees rate their agency above average overall and in terms of job satisfaction and customer focus. If employees are satisfied with their jobs and working to understand customers and fulfill their needs, it is not surprising that customers feel good about OFM products and services.

The overall findings of the Four-Agency Survey are relevant even though it focused on the executive management of Cabinet Agencies, while the OFM customer response survey focused more on line staff and was not limited to Cabinet Agencies. OFM was scored above average by the management of these agencies on overall satisfaction and was the only agency out of the four that received none of the lowest ratings (very dissatisfied, or 1 on a 5-point scale). In fact, a large proportion of respondents was satisfied or very satisfied. Several general comments volunteered by respondents indicate a sense that OFM has shown improvement over time, that specific staff members are very much appreciated, and that better internal communication within OFM is needed, particularly down through line staff. These are all areas mentioned across all four focus group discussions.

How well does OFM provide assistance to agencies?

About one-third to one-half of the customers gave high ratings to the overall help that OFM provides for agencies and organizations:

	% of Ratings on 7-Point Scale		
	High (6-7)	Middle (4-5)	Low (1-2-3)
Budget Division helps my agency carry out its responsibilities	37%	47%	10%
Budget Division has useful instructions for budget preparation	36	37	13
Accounting Division helps my agency carry out its responsibilities	53	35	8
OFM other than Budget and Accounting helps my agency carry out its responsibilities	39	40	6
Financial Systems Unit equips me with the tools I need to do my job	35	49	15
Personal Services Contracting Group meets my needs	57	29	5

Ratings for Small Agency Consulting Services (SACS) are not shown because only two SACS customers were interviewed in this survey. Throughout, they gave SACS ratings in the high to middle range of the scale.

How is OFM's decision-making process perceived?

The decision-making process of OFM received the lowest ratings among all the attributes. With the exception of Personal Services Contracting, one-third or fewer of the customers gave high ratings for either timely decisions or being involved in decisions.

Accounting and Financial Systems, in particular, were rated low on involving customers in decision-making: fully 40% and 44% of the customers of these two OFM areas gave a low score.

	% of Ratings on 7-Point Scale		
	High (6-7)	Middle (4-5)	Low (1-2-3)
Budget Division makes decisions in a timely manner	34%	42%	17%
The rationale for OFM Budget decisions is explained to me	30	48	16
Accounting Division makes decisions in a timely manner	25	47	22
I can be involved in the decisions of the Accounting Division that affect my job	14	35	40
I can be involved in the decisions of the Financial System Unit that affect my job	13	34	44
Personal Services Contracting Group makes decisions in a timely manner	58	32	1

How do customers feel about OFM's customer service?

OFM staff, across almost all areas, are highly rated for being fair, courteous, responsive, and willing to listen to customers. A strong majority of all customers give high ratings on these attributes, except for Financial Systems Unit staff, where responsiveness and listening are rated high by just short of a majority of customers.

When asked to rate customer service orientation of the Budget and Accounting Divisions, as well as all the rest of OFM, the customer ratings are more evenly split between the high and middle ranges of the scale. This is in contrast to the generally high ratings assigned to the individual staff attributes.

	% of Ratings on 7-Point Scale		
	High (6-7)	Middle (4-5)	Low (1-2-3)
<u>Budget Division Staff</u>			
Fair	67%	25%	4%
Courteous	72	23	3
Responsive	60	31	7
Listens	61	27	10
<u>Accounting Division Staff</u>			
Fair	69%	26%	4%
Courteous	67	27	4
Responsive	54	36	7
Listens	57	33	6
<u>Financial Systems Unit Staff</u>			
Fair	58%	33%	2%
Courteous	69	21	3
Responsive	45	41	7
Listens	48	36	7
<u>Population and Forecasting Staff</u>			
Fair	73%	21%	4%
Courteous	80	13	1
Responsive	67	28	3
Listens	60	27	8
<u>Personal Services Contracting Staff</u>			
Fair	77%	14%	0%
Courteous	78	18	0
Responsive	71	25	0
Listens	58	32	0
<u>Customer Service Oriented</u>			
Budget Division	39%	48%	9%
Accounting Division	49	43	4
OFM other than Budget and Accounting	40	35	8
(All those who use products or services from areas other than Budget or Accounting)			

How do customers feel about OFM staff technical knowledge and accessibility?

OFM staff, across all areas, are rated highly on technical knowledge.

<u>Technical knowledge</u>	% of Ratings on 7-Point Scale		
	High (6-7)	Middle (4-5)	Low (1-2-3)
Budget Division	69%	21%	6%
Accounting Division	64	29	6
Financial Systems Unit	62	28	2
Population and Forecasting	76	20	0
Personal Services Contracting Group	83	13	0

Staff accessibility has the fewest high ratings relative to other staff attributes for all the areas of OFM, with the exception of Population and Forecasting.

<u>Accessibility</u>	% of Ratings on 7-Point Scale		
	High (6-7)	Middle (4-5)	Low (1-2-3)
Budget Division	52%	35%	10%
Accounting Division	42	43	14
Financial Systems Unit	42	45	9
Population and Forecasting	61	33	1
Personal Services Contracting Group	58	34	4

How do customers feel about the information provided by OFM?

Information coming from OFM is highly regarded by customers. All respondents were asked to rate the integrity of OFM information, described as meaning the information is accurate, objective, trustworthy and credible. A total of 70% of all customers gave a high rating. A sub-group of customers were further asked to give an overall rating to information received from all parts of OFM. A similar proportion of these customers gave high ratings to OFM information.

	% of Ratings on 7-Point Scale		
	High (6-7)	Middle (4-5)	Low (1-2-3)
Integrity of OFM information (All customers)	70%	25%	4%
Information received from all parts of OFM (Subset of customers)	62	34	3

How customers feel about the information provided by OFM, continued.

Customers were asked which of three types of OFM information they use: 70% reported using data; 69% reported using policies and procedures; and 58% said they use technical assistance.

OFM data scored consistently high among its users, particularly in terms of being accurate, unbiased, and credible. Ratings for policies and procedures appear to have the greatest opportunity for improvement, particularly in the areas of being understandable, timely and in a desired format. Format was also the lowest rated attribute for data and for technical assistance.

	% of Ratings on 7-Point Scale		
	High (6-7)	Middle (4-5)	Low (1-2-3)
<u>OFM Data</u>			
Understandable	58%	37%	3%
Useful	66	30	3
Timely	58	35	5
Complete	61	32	3
Format I want	48	40	9
Accurate	71	19	4
Unbiased	69	20	5
Credible	73	22	2
<u>OFM policies and procedures</u>			
Understandable	26%	63%	10%
Useful	54	38	6
Timely	32	44	19
Complete	46	47	6
Format I want	35	47	16
<u>OFM Technical Assistance</u>			
Understandable	49%	42%	6%
Useful	62	32	4
Timely	45	46	6
Complete	54	40	3
Format I want	37	53	5
Accurate	58	35	3
Unbiased	55	34	5
Credible	65	28	4

How important are OFM products and services to customers?

All of the OFM product and service areas included in this survey were rated as highly important by a near majority or more of the users. On three Financial Systems products and services, relatively high proportions of Financial Systems users said they did not know enough about these particular items to provide a rating: budget requests, accounts receivable systems, and time/labor/cost allocations. Two of these—accounts receivable systems and the allocations—also received low importance scores from about one user in four.

<u>Ranked by High Importance</u>	% of Ratings on 7-Point Scale		
	High (6-7)	Middle (4-5)	Low (1-2-3)
Budget Division products and services	79%	17%	4%
Population and Forecasting products and services	77	20	3
Personal Services Contracting products and services	74	19	7
Financial Systems information for management	74	18	8
Financial Systems budget requests	73	22	5
Accounting policies and procedures	72	22	6
Financial Systems accounts payable systems	71	15	14
Accounting consulting/technical support	63	27	10
Financial Systems accounts receivable systems	56	20	24
Financial Systems time/labor/cost allocations	48	25	27

How satisfied are customers with OFM products and services?

The top five product and service areas shown below received high satisfaction scores from a majority or near majority of users. The proportion of users who gave low satisfaction scores was relatively small for all the product and service areas.

<u>Ranked by High Satisfaction</u>	% of Ratings on 7-Point Scale		
	High (6-7)	Middle (4-5)	Low (1-2-3)
Personal Services Contracting products and services	67%	27%	6%
Population and Forecasting products and services	63	30	5
Accounting consulting/technical support	58	32	7
Budget Division products and services	49	42	6
Accounting policies and procedures	48	44	5
Financial Systems accounts payable systems	43	38	9
Financial Systems budget requests	39	41	9
Financial Systems information for management	36	47	8
Financial Systems accounts receivable systems	35	37	14
Financial Systems time/labor/cost allocations	28	46	10

Where are the opportunities to increase customer satisfaction with OFM products and services?

When the high importance and high satisfaction ratings are compared, a “gap” appears to the extent that satisfaction does not meet importance. As seen below, the three largest gaps between importance and satisfaction occur with products and services that

are rated as highly important by the users of those products and services. Two other highly important products and services have high satisfaction ratings, making the gap for these relatively narrow. Any gaps of 20 or more points represent areas where OFM can work to increase satisfaction with its products and services.

Ranked by Improvement Opportunity

(**Bold** indicates the five most important products and services, as rated by users.)

Gap Between High Ratings--
Importance and Satisfaction

Financial Systems information for management	38
Financial Systems budget requests	34
Budget Division products and services	30
Financial Systems accounts payable systems	28
Accounting policies and procedures	24
Financial Systems accounts receivable systems	21
Financial Systems time/labor/cost allocations	20
Population and Forecasting products and services	14
Personal Services Contracting	7
Accounting consulting/technical support	5

It should be noted that managers, in particular, reported large gaps between the importance of and their satisfaction with two Financial Systems products/services: budget request systems (48); and information for management (43).

The two SACS respondents both said that the products and services from that area of OFM were very important and both are well satisfied with those products and services.

What are the characteristics of the OFM customer?

OFM customers (as related in the focus group discussions) tend to compartmentalize the agency into the various divisions and areas with which they work. They find it difficult to view OFM as one entity. There is confusion at the managerial and agency head level as to where “policy” fits within OFM as a whole. There is a perception that communication within and across the various divisions and areas of OFM is not as good as it can be. These themes—compartmentalization, customer confusion about OFM roles, and lack of communication within OFM—were major points of discussion in all of the focus groups. This may explain a good part of the frustration voiced by customers through low ratings of the decision-making process.

The OFM survey respondent customer base is diverse. Over half of the customers work in Executive Cabinet agencies and one-fifth in other state agencies. Nearly one-fourth come from local governments, who deal primarily, or only, with Population and Forecasting, and OFM data is the primary product/service they use. These users constitute an important part of the OFM customer base but their needs are very different from those who work for state agencies.

OFM survey respondent customers tend to have been with state government for a long time (median of 12 years) and have had contact with OFM for a median 7.5 years. Almost one customer in ten, however, has been in state government for two years or less.

Conclusions

- There is a great deal of **opportunity** to move customers upward on evaluation scales by identifying and prioritizing areas where OFM can improve on its products, services and delivery. OFM is in the enviable position of having to move customers 1 to 2 points, rather than 3 to 5 points, a very difficult thing to do. Very few OFM customers are currently down near the bottom of any scale, and that is good news.
- **Individuals within OFM** mean a great deal to customers, as seen in the ratings on this survey, as well as comments made during the focus groups and volunteered in the Four-Agency Survey. It is the staff that sets the tone for customer contacts, solves problems, treats the customer well and listens to what is needed. The individual staff attributes rated very well, yet customers do not have the overall sense that OFM, in general, is customer-oriented. This may be due to the way customers compartmentalize OFM, not knowing much about the agency outside their small circle of contacts. It has been noted that OFM is putting more emphasis on customer service and it is possible that the perception of customer service orientation is starting to change. Certainly, sharing information from this survey will help move that perception even further.
- While most of the attributes having to do with staff are rated well, **staff accessibility** is something to work on. This includes returning phone calls promptly as well as being able to find the needed answer to a question. Focus group participants complained that budget staff, in particular, worked hard to get budgets to the Legislature, then left on well-deserved vacations with no one available for questions about the budget. This is an area where some staggered schedules may go a long way to help customers through tense times.
- Customers would like to see **improvements in the decision-making process** of nearly all the divisions. (Decision-making was one attribute that was rated below average on the Four-Agency survey.) They want decisions to be made more quickly and want to be involved more in the decisions that impact their jobs. This is one of the most important areas to work on and attempts to improve could be a very visible demonstration of how OFM is listening to what customers need.
- It is evident that **OFM data** is well received and highly regarded by customers. Scores are already high for the integrity of OFM data and OFM should guard and protect that integrity.
- **Policies and procedures** offer good opportunity for improvement. Scores are currently low relative to other types of information, particularly on understandability and timeliness. People in the focus groups talked about policies and procedures being published months after the associated practices become effective. Others asked that the manuals be simplified.
- OFM is expected to take the lead in **designing processes and systems** to make the budget development and submittal procedure more efficient and accurate. This includes data management systems that would allow easy transfer of information from agency to OFM to the Legislature without multiple re-entry of data. One example is accounting information, which is duplicated because many customers do not find AFRS to be a useful management tool. They enter into AFRS because they have to, but they also report having their own management accounting systems and do not use the reports received from AFRS. Foresight, planning and

knowledge of technology are all important if OFM is to look at the large picture and think creatively about the needs of the agencies, as well as the Executive level and the Legislature.

- **In OFM staff interaction with agencies and legislative staff**, there should be an attempt to set policies regarding how, when and with whom to communicate decision information about budgets. Once there is a policy, it should be communicated to OFM staff so that inconsistencies among budget analysts can be minimized.
- Satisfaction with products and services sometimes falls short of their perceived importance, creating a gap that can be used to set **priorities for increasing satisfaction**. Based on the survey findings, two Financial Systems products (information for management and budget requests) and Budget Division products and services, are all important offerings where satisfaction falls short (30 to 38 points). OFM should review these satisfaction gaps, together with other ratings to determine how to prioritize and strengthen the improvement process.
- There was an appreciation for **OFM's effort in asking for customer feedback**. It will be important for OFM to provide information about what they are doing as a result of what has been learned from this baseline survey. Information should first be shared with OFM employees so that they can see the evidence of their good service to this point and how important it is that they continue the improvement process.
- The current system for keeping **customer lists** can be improved. Keeping phone numbers and names current will provide a better universe and a more accurate sampling process for the next survey.